



# Internal Revenue Service

## Small Business/Self-Employed

# IRS Stakeholder Partners Headliners ...and more

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*This e-mail is being sent to you for distribution to your organization's members. If you need further assistance please contact your local Taxpayer Education and Communication (TEC) office. The number is available in IRS Publication 3698A "Small Business/Self-Employed Taxpayer Education and Communication at a Glance", which can be found at [Taxpayer Education and Communication](#).*

## **Job Creation and New York Liberty Zone Tax Incentives**

On March 9, 2002, President Bush signed into law the Job Creation and Worker Assistance Act of 2002. This law provides numerous economic and tax incentives designed to stimulate the economy and aid recovery from the impact of September 11, 2002, terrorist attacks. The law contains several high-impact provisions for businesses and some impact 2001 tax returns. Some of the highlights include:

- Establishes the New York Liberty Zone
- Allows 30 percent expensing of certain assets (bonus depreciation)
- Allows five-year carryback of net operating losses (NOLs) to offset the alternative minimum tax
- 13-week extension of unemployment benefits
- Allows deduction of classroom materials
- Extends the Work Opportunity and the Welfare to Work Tax Credits (which expired on 12/31/01)
- Creates provisions affecting New York City businesses and residents